

May 8, 2008



Indiana Economic Development Corporation

Dawn Adams  
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Office of Legal Affairs  
Indiana State Department of Health

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Dear Ms. Adams:

Pursuant to IC 4-22-2-28, the Indiana Economic Development Corporation ("IEDC") has reviewed the economic impact analysis for small business associated with rule changes proposed by the Indiana State Department of Health ("ISDH") and contained in LSA Document 07-657, which amends 410 IAC 16.2 to require automatic fire sprinkler systems in comprehensive care facilities and requires facilities to have a battery operated or hard wired smoke detector in each resident's room as required by IC 16-28-11-5. The rule also amends 410 IAC 16.2 to clarify license requirements for comprehensive and residential care administrators in accordance with IC 25-19-1-5 regarding comprehensive care facility administrator licenses and residential care facility administrator licenses. Finally, the rule amends the definition of the word "children." Entities affected by the rule include approximately 605 long term care facilities that provide residential and/or comprehensive long term care services. The ISDH does not have access to the data necessary to determine which of these entities are small businesses, but expects that few, if any, of the affected entities are small businesses.

The ISDH does not expect the provisions of the rule to impose any significant new reporting costs on small businesses. If any of the entities affected by the rule do meet the definition of a small business, the provision of the rule requiring installation of sprinkler systems and battery operated or hard wired smoke detectors in each room may impose a cost on small businesses if they do not already have these features in place. Based on previous research by the ISDH, it is expected that the cost of compliance with this provision could range from \$175 to \$400 per room.

The IEDC does not object to the economic impact associated with the rule changes. The ISDH expects that few, if any, small businesses will be affected by the rule and, importantly, the rule does not impose any new requirements that are not expressly required by the Indiana Code. If you have any questions about the comments contained herein please contact me at 232-8962 or [rasberry@iedc.in.gov](mailto:rasberry@iedc.in.gov).

Regards,

Ryan Asberry  
Assistant Vice President  
Indiana Economic Development Corporation